Senate Natural Resource and Water Committee Senate Budget and Fiscal Review, Subcommittee No. 2

Informational Hearing Governor's Proposed Actions for a Comprehensive Solution in the Delta

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Testimony of Roger Patterson Assistant General Manager/Strategic Water Initiatives Metropolitan Water District of Southern California

Thank you Chairs Steinberg and Lowenthal for your leadership on these issues and for convening today's hearing as a way to advance the public dialogue on the many challenges we face in the Sacramento-San Joaquin Bay/Delta. Before commenting on the recent letter from Governor Schwarzenegger that outlined the elements of his Delta plan, I would like to take a moment to brief the committee on the water outlook facing Metropolitan and the increasing precariousness of Southern California's water picture.

Despite a healthy snowpack and a series of wet storms, deliveries from the State Water Project in 2008 are dramatically curtailed. Deliveries could be impacted further due to the potential listing of another fish species, the Longfin Smelt. Listing of additional species is also possible. Metropolitan is rapidly depleting its existing water supply reserves with no relief in sight. This depletion of reserves is occurring despite significant long-term water use efficiency investments (conservation, recycling and groundwater treatment) that have been made over the past two decades. Last month, Metropolitan's Board of Directors approved a method of allocating water when our reserves are no longer available to avoid region-wide shortages. We have already reduced deliveries to our agricultural customers by 30 percent. In San Diego County, avocado farmers are severely pruning their trees, a technique known as stunting, as a method of keeping them alive on minimal amounts of water in hopes that the orchards could be productive again in the future.

Our board and staff are reviewing new and existing ways to manage local demand and increase local supplies. Metropolitan will spend more than \$1 million this spring on an outreach effort reminding residents of the need to use water wisely, particularly outdoors. Also, it is investing an additional \$15 million this year to upgrade the efficiency of our public agencies, to assure that there is a good example being carried out for the public to follow in their own homes and businesses. But all these efforts will not guarantee that Metropolitan can necessarily remain a reliable provider of water to 18 million residents and six Southern California counties without a viable plan to solving the challenges in the Delta. State laws that have been deliberated and approved by the Legislature have wisely required local water districts to have long-term water

plans to meet long-term water needs. This is the kind of planning discipline that we all must now bring to bear in the Delta.

The Governor outlined a comprehensive path to fix the Delta that both the ecosystem and the water system need. Metropolitan enthusiastically supports the commencement of feasibility studies and California Environmental Quality Act/National Environmental Policy Act compliance for a wide range of conveyance and habitat options in the Delta. Stand-alone feasibility studies that do not provide the legal basis for action would not be in the interest of the Delta environment or the state's economy. The comprehensive nature of the CEQA/NEPA process is necessary to require that various alternatives be analyzed and that the public be included from the very beginning. Launching this process now creates the ideal timing to incorporate the upcoming recommendations of the Delta Vision Blue Ribbon Task Force and the emerging conservation/conveyance strategies of the Bay Delta Conservation Plan.

In the comprehensive approach outlined by the Governor, I'd like to briefly comment on two of the elements. First, conservation. Metropolitan welcomes the Governor's call for all Californians to be wiser users of water. Metropolitan's per-capita water use has declined dramatically since 1990, allowing the region to meet its current water needs with the same amount of imported water used nearly 20 years ago, even though our population has grown by more than 4 million people. While urban Southern California is ahead of most other regions of the state, an approach that identifies local opportunities and creates incentives to promote conservation would be particularly effective.

Second, short-term actions. Yes, we need to launch the environmental review process that will provide the long-term path for a healthier Delta and a more reliable water supply. But we all will be living with the current water system and a struggling ecosystem in the meantime. With existing bond funds, we can make important advances in emergency preparedness and implement a wide array of no-regrets habitat actions in the Delta. To advance short-term actions, Metropolitan enthusiastically supported SB 1002 introduced last year in the regular session and SB 1XX in the second extraordinary session. These funds remain an important and underutilized resource, and Metropolitan would encourage the release of these badly needed funds to implement short-term actions that are envisioned in the Governor's plan.

The path to success in the Delta remains through a bipartisan, joint effort of the Administration and the Legislature. All of these efforts, however, can only succeed if we have new and better information from a process that allows us to act on that information. Metropolitan looks forward to being an active participant in that process. Chairs Steinberg and Lowenthal, I thank you once again for dedicating attention this morning on this critically important public policy. I would be happy to answer any questions that you or members of the committee may have for Metropolitan.